

PBOT Budget Update

July 2023: PFC



PBOT
PORTLAND BUREAU OF TRANSPORTATION

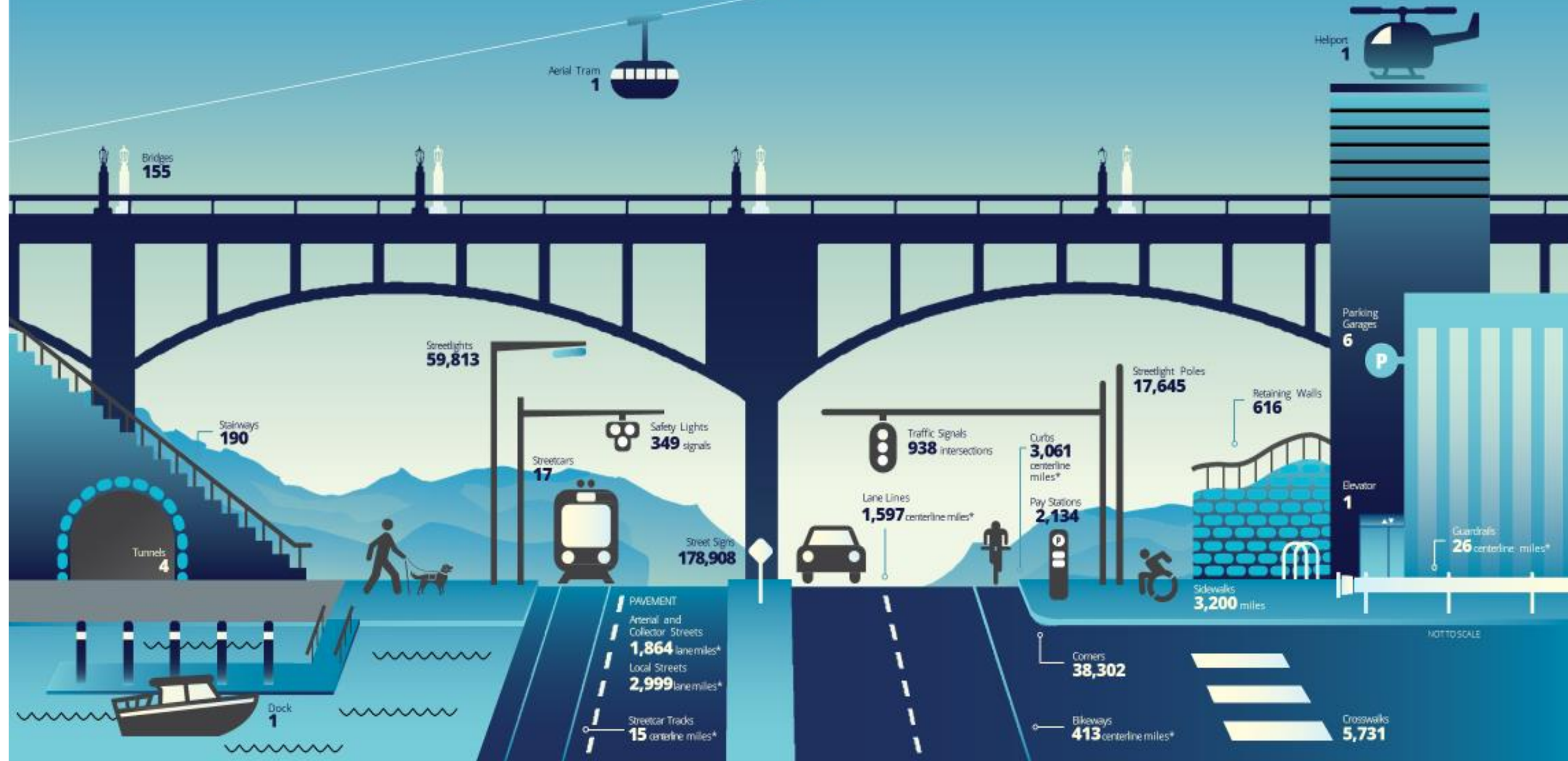
Connecting people to places.

PBOT manages roads, sidewalks, bike lanes, and transit that help Portlanders get from place to place easily, safely and sustainably.

We work everyday to deliver a transportation system that meets the needs of our community.



AT A GLANCE : ASSETS MANAGED BY THE PORTLAND BUREAU OF TRANSPORTATION, 2022



FOUR SEASONS OF PBOT

365 days a year,
more than 500
PBOT
maintenance
workers are out
on the streets,
cleaning;
repairing, and
paving the way
(literally!)

WINTER

- SNOW PLOWING
- RETAINING WALL REINFORCEMENT
- STREET CLEANING
- SIGN MAINTENANCE
- STREET BASE REPAIR
- SEWER PIPE CLEANING
- GRADE AND GRAVEL STREETS

SPRING

- POTHOLE REPAIR
- PUBLIC STAIRWAY MAINTENANCE
- TUNNEL MAINTENANCE
- VEGETATION MANAGEMENT
- SIGN MAINTENANCE
- SEWER REPAIR
- ADA RAMP UPGRADES AND INSTALLATION

SUMMER

- STREET PAVING
- BRIDGE MAINTENANCE
- VEGETATION MANAGEMENT
- PAVEMENT MARKING RESTORATION
- CROSSWALK MAINTENANCE
- ADA RAMP UPGRADES AND INSTALLATION
- SAFETY PROJECTS
- SEWER REPAIR
- STORM-WATER SYSTEM MAINTENANCE
- TRAFFIC CONTROL AND SAFETY FOR SPECIAL EVENTS

FALL

- SEWER PIPE CLEANING
- CATCH BASIN CLEARING
- LEAF REMOVAL
- STREET CLEANING
- ADA RAMP UPGRADES AND INSTALLATION
- STREET MAINTENANCE
- PAVEMENT MARKING
- CROSSWALK MAINTENANCE

THREE MAIN GOALS

Safety



Moving People and Goods



Asset Management

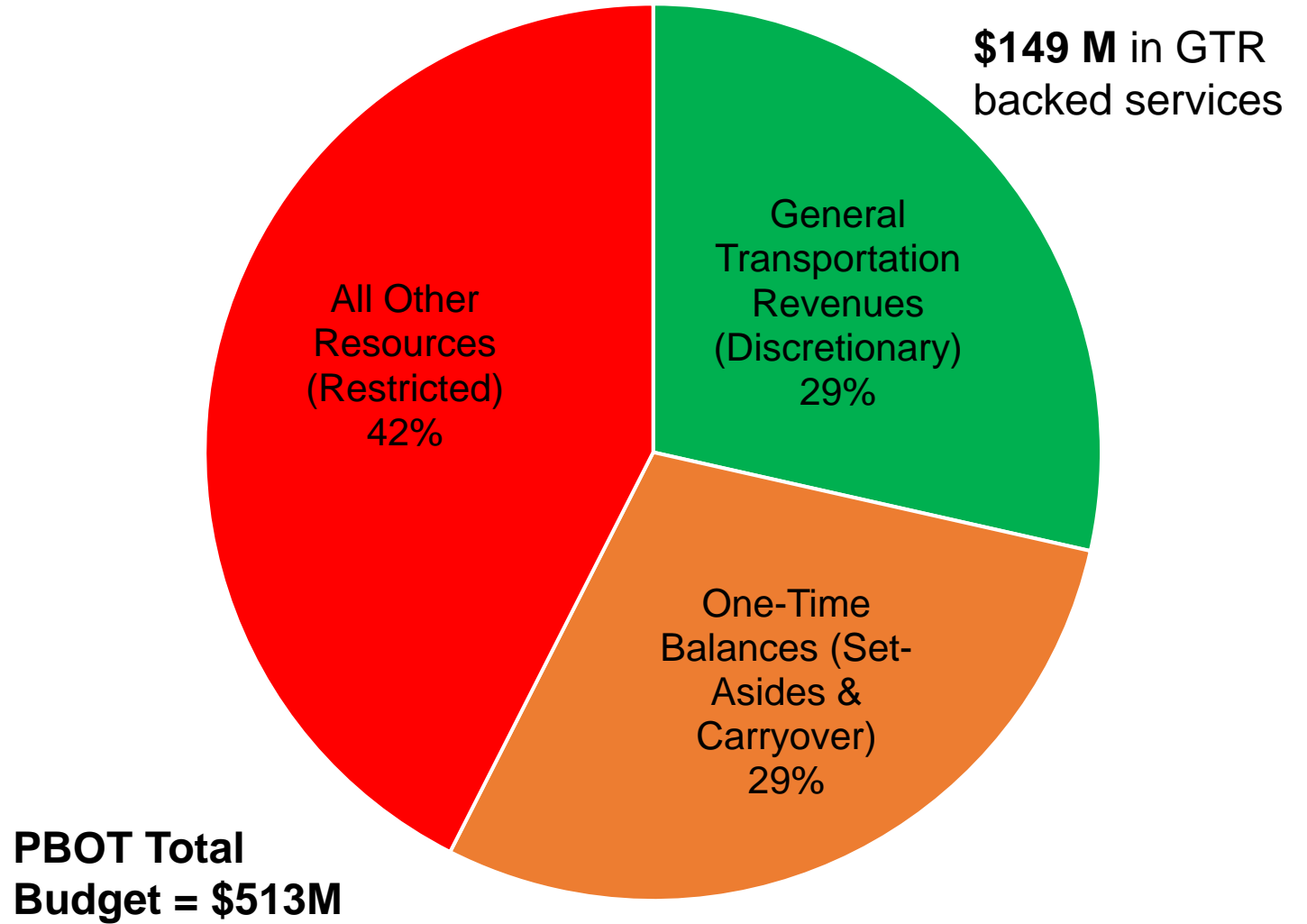


Across all work: ask ourselves are we advancing equity & reducing carbon emissions?



PBOT's Discretionary Resources

- **Discretionary resources** (General Transportation Revenues) go towards basic maintenance and operations of the transportation system - "keeping the lights on"
- All other funding sources (e.g. federal grants, permit revenues, SDCs) are dedicated to specific programs and services and cannot be used for other purposes



Discretionary revenue sources have significant structural challenges



State Highway Fund (60% of GTR)

State Highway Fund Limitations

- As we achieve mode shift, high mpg and EV goals, we lose fuels tax
- Subject to state decisions; lack of local control
- Rates are not keeping pace with inflation



Parking (40% GTR)

Parking Limitations

- As we achieve mode shift goals, we lose parking revenue
- Parking fees designed primarily for parking management goals, not revenue needs
- Rates not keeping pace with inflation

Challenges have become acute

- Parking revenues have not recovered to pre-pandemic levels
- Inflation and service expectations continue to escalate quickly
- Reductions in local population and vehicle registrations have led to unexpected reductions in State Highway Funds
- Transition to electric vehicles is accelerating - positive for reaching climate goals, but challenging for fuels tax forecast



Significant budget cuts over the last four years already impact all of PBOT's work

- Between FY 20-24 we have cut approximately **\$20.4 M (16%)** in services from our General Transportation Revenue-backed expenses
- We have drawn down **almost all of our \$63 M in reserves.**





Budget cuts across the board significantly impact assets, safety, equity and sustainability

- Less paving, street sweeping
- Slower repair of signals and street lights
- Reduced funding for small safety projects like crosswalks
- Less outreach and project development capacity
- Slower response to requests for help from neighbors and businesses



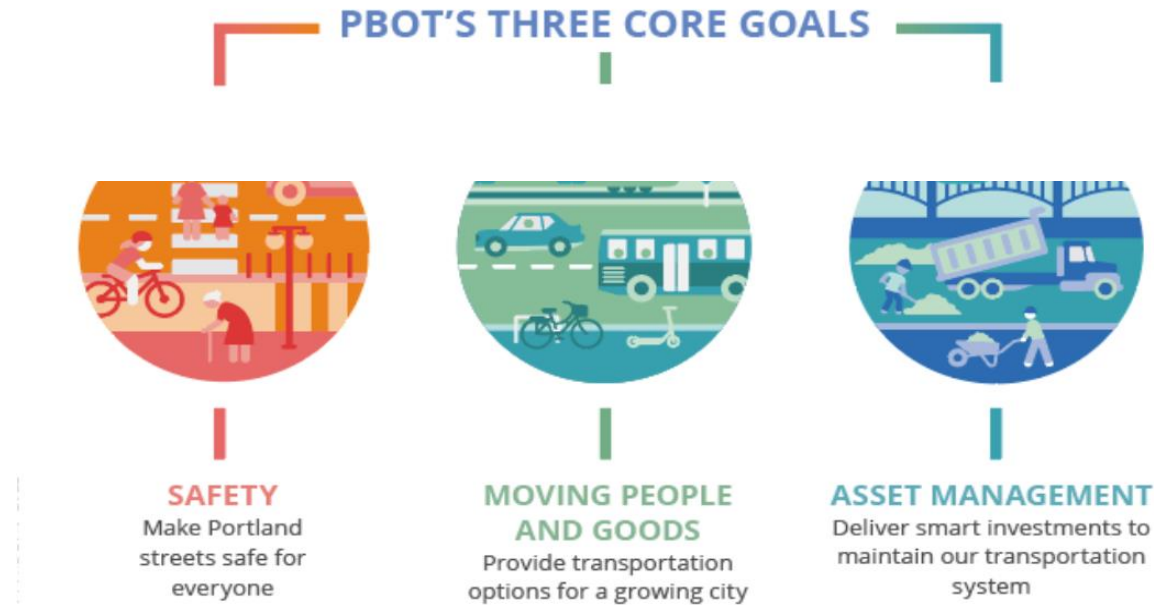
Reductions over past 4 years compound the problems of decades of under investment

- Aging infrastructure which needs hundreds of millions per year to bring it up to good condition
 - Bridge weight restrictions
 - Concerns about adding new infrastructure with no ability to maintain
- Fatalities and serious are at historic levels
- Congestion rising
- Rising transportation related carbon emissions
- Disparities across transportation indicators including fatalities, travel times, transportation affordability and more

What happens next? FY 24-25 Budget

- Parking and state fuels tax revenues continue to come in below earlier projections, while expenses continue to rise.
- The FY 24-25 budget will require up to **\$32 million** in additional service reductions.
- Fixing Our Streets renewal in 2024. If not renewed would add another \$17 million in service reductions (almost \$20M in service reductions if HVUT not renewed).
- Dramatic and visible service reductions are likely

What happens next? FY 24-25 Budget



How will potential cuts impact climate & equity commitments?

City Council has asked PBOT to prioritize and focus our work on core services to meet reduced revenue expectations.

Opportunity to provide feedback on priorities

- Maintaining our roads and infrastructure (roads, signals, signs, etc.)
- Making the transportation system safer
- Reducing disparities and inequities in our transportation system (e.g., disparities in fatality rates, travel times, etc.)
- Reducing climate impacts and carbon emissions from transportation
- Improving biking & walking infrastructure and safe multimodal access to schools & other places
- Improving freight and goods movement
- Improving access to transit
- Community programming that encourages safe, multimodal transportation
- Ensuring timely responses to constituent requests
- Support economic recovery and activating the right-of-way
- Keeping streets clean
- Leveraging local dollars to access federal infrastructure dollars
- Maintaining service levels by retaining staff and avoiding layoffs

Next Steps

- Gather feedback to inform prioritization decisions
- Continue to explore ways to offset cuts with additional revenues
- Follow up on budget note with council - fall
- Fixing Our Streets III/HVUT III preparations
- FY 24-25 Budget Development

Next Steps Fixing Our Streets / HVUT 3

- Internal staff review of FOS 2 / HVUT 2 programs (Dec 2022)
- Development of FOS 3 / HVUT 3 scenarios (June-Sep)
- Public Opinion / Outreach (July-Oct)
- Additional Council direction (Sep-Oct)
- Additional public outreach / measure development (Oct-Dec)
- Council Action – passage of HVUT 3 and referral FOS 3 (Dec/Jan)

Fixing Our Streets 2

Smoother Streets - Paving Projects		\$ M
Paving: Busy Streets		20.5
Paving: Neighborhood Streets		5
subtotal Smoother Streets Projects		25.5

Safer Streets Projects		
New Signals and Beacons		5
Sidewalk and other Walkways		4.5
Lighting Portland for Safety		4.5
Neighborhood Greenways		4.5
Safe Routes to School Projects		6
Neighborhood Safety Improvements		1.5
subtotal Safer Streets Projects		26

Community Transportation Services		
Potholes		5
Gravel Streets		4
Base Repair		4
Additional Safety Enhancements		4
Neighborhood Greenway Retrofits		2.5
Safer Intersections		2
Speed bumps on cut-through routes		2.5
subtotal Safer Streets Projects		24

Total **75.5**

HVUT 2 - 2020-2023

I-5 to Going Street Ramp Pavement Repair - Repave deteriorating frontage road and ramp from N Killingsworth Street and I-5 southbound to N Going Street westbound to serve freight traffic to Swan Island. Also includes repaving of intersection of N Alberta Street and I-5 off-ramp. HVUT Allocation: \$1,064,000. **COMPLETE**

N Lombard Street Base Repair - Base repairs along blocks of N Lombard Street between N St. Louis and St Johns avenues seeing deterioration due to high volumes of trucks and buses. Incorporated into the N Lombard Main Street Repair Project. HVUT Allocation: \$391,000 **COMPLETE**

Columbia-Lombard Wayfinding Improvements, Phase 2 - Changes name of US 30 Bypass section of NE Killingsworth to NE Lombard streets to be consistent with the rest of US 30 Bypass and provide better freight wayfinding. Builds on Phase 1 Wayfinding Improvements, recently approved by City Council, which includes renaming NE Portland Highway to NE Lombard Street Requires changing I-205 freeway signage. HVUT Allocation: \$200,000 **LOCAL SIGNAGE COMPLETE, I-205 SIGNAGE IN PROCUREMENT**

Columbia Blvd ITS Improvements, Phase 2 - ITS improvements including signal optimization, radar detection, fiber optic communication, and more. HVUT Allocation: \$1,076,000 **PHASE ONE CLOSING OUT CONSTRUCTION – PHASE 2 30% DESIGN**

HVUT 2 -2020-2023

42nd Ave Bridge Replacement - Reconstructs aging, weight-restricted, low-height bridge over NE Lombard St (Hwy 30 Bypass) with a modern bridge that meets full height requirements for over-dimensional freight. HVUT Allocation: \$2,000,000

BIDDING LATE SPRING 2023 – CONSTRUCTION FALL 2023/2024 (WAITING COMPLETION 33RD BRIDGE REPAIRS)

NE Cornfoot Road Project, Phase 1 - "Phase 1" project including guardrails, illumination, and asphalt repaving (with some base repair) east of NE Airtrans Way. HVUT Allocation: \$2,600,000 **BIDDING LATE WINTER 2023 – CONSTRUCTION SPRING/FALL 2023**

NE Cornfoot Road Project, Phase 2 Project Development - Develop "Phase 2" project from 47th to Airtrans Way for repaving (potentially concrete), intersection improvements, and more. HVUT Allocation: \$300,00 **PROJECT DEVELOPMENT COMPLETE – RECEIVED METRO TRAIL BOND FOR MUP, SCOPE AND COST ESTIMATE FOR REPAVING 42ND TO AIRTRANS WAY**

NE 11th Ave (Lombard - Columbia) Project Development - Pavement reconstruction, curbs, and sidewalks on NE 11th Ave from NE Columbia Boulevard to NE Lombard Street. Close NE Lombard Place just east of 11th Ave and redesign/upgrade railroad crossing to improve safety and operations for all modes. Upgrade 11th & Lombard traffic signal and add new traffic signal at 11th & Columbia. HVUT funding will be used for 30% design and railroad diagnostic. HVUT Allocation: \$500,000 – **PROJECT DEVELOPMENT COMPLETE < \$500k, STIP funding for design 2024-27 (still need to address double tracking proposal)**

HVUT 3 - Potential Future Commitment

Cornfoot Rd Repaving from 47th Ave to Airtrans Way Phase 2 project development:

- Scoped as a 4" grind and inlay with 35% base repair (full depth reconstruction)
 - Pavement managers did not think that a full reconstruct in concrete would be a wise investment given the much higher capital cost, major stormwater investments needed to meet BES requirements, much longer road closure needed and therefore higher business/freight impacts, and marginal long-term pavement life benefit compared to this 4" grind/inlay with base repair in the worst sections
 - No changes in cross-section, peds/bikes assumed to be accommodated in the Multi-use Path on the north side funded by Metro
 - Total cost estimate including contingencies and 5 years of inflation is \$4,387,822
 - This project could be a candidate for HVUT 3, though it would eat up nearly half of the anticipated revenue

HVUT 3 - Potential Future Commitment

PBOT received federal funding for the Burgard Bridge Replacement – may need to use HVUT balance (plus HVUT 3) for local match.

- PBOT received federal Bridge Investment Program in 2023 -- \$13,895,728 of federal grant funding with a \$3,614,700 required local match (20% of \$17,510,428 total project cost)
- Full replacement of 92-year-old bridge over UPRR tracks near Terminal 4
- Only direct connection from Hwy 30 / St Johns Bridge to Terminal 4, NW Container Services, and entire Rivergate Industrial Area
- Addresses major deficiencies including poor structure condition, seismic vulnerability, weight restrictions, steep grades, lack of sidewalk on south side, lack of fully protected bikeway on north side
- Also includes reconstruction of very old, deficient Terminal 4 and NW Container Services traffic signals north of the bridge

Additional Priorities for HVUT 3

- Additional match for Burgard Bridge
- Cornfoot Road Repaving
- General proactive paving on freight routes or in freight districts
- Additional match for federal funding
- Other